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World Production and Trade

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

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June 14, 1984

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

GRAIN AND FEED

AUSTRALIAN barley exports for the first half of their November-October marketing year have reached over 2 million tons, a full million tons above average movement in previous years for the same period and already higher than total exports in 8 out of last 10 marketing years. The marketing year export level is expected to exceed the 1979/80 total record barley movement of 2.8 million tons.

Australia has been able to sustain heavy wheat and barley shipments successfully, particularly since January, and is well along the way in breaking export records in both commodities. Principal destinations for Australian barley to date include Saudi Arabia and Singapore with shipments of approximately 600,000 tons each and Japan with about 250,000 tons. Australia has also moved barley into non-traditional markets such as the German Democratic Republic, with imports to date at about 140,000 tons. A record 1983/84 barley crop of 5.4 million tons has provided Australia with ample exportable supplies and overall exports will only be limited by demand and/or shipping constraints.

OILSEEDS AND PRODUCTS

SPAIN's oilseed crush in 1983/84 is expected to be down by 3 percent to 3.7 million tons, and oilseed imports of nearly 3 million tons would reflect the moderate decline. Slack demand for poultry products, high meal prices and increased use of alternate feeds account for the reduction. This situation is expected to improve in 1984/85, with the United States expected to remain as Spain's principal supplier.

Despite the lower crush, Spain's vegetable oil exports are expected to show a substantial increase over 1982/83, mainly because of greater sunflowerseed oil exports. An additional small increase is forecast for 1984/85, primarily due to increased exports of olive oil.

EGYPT's pricing policy reducing the profitability of cotton lint has had the side effect of lowering the supply of cottonseed, the country's most important source of protein meal and vegetable oil. Although soybean production is increasing modestly, the recent significant expansion of Egypt's crushing industry and the strong demand for protein meals and vegetable oils indicates increasing short and long term needs for imported oilseeds, especially of soybeans. Imports of soybean meal, to meet the needs of the poultry sector, and sunflowerseed oil are expected to show the greatest growth in the near future.

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POLAND's imports of soybean meal are forecast to recover to 800,000 tons in 1984 from only 280,000 tons in 1983, according to the U.S. agricultural attache in Warsaw. Despite increasing competition from India and Brazil, the United States is expected to provide 300,000 tons of soybean meal for Poland in 1984, up from 120,000 tons last year. The increase reflects the desire of the Polish Government to increase the meat supply, especially of pork, which declined sharply in 1983 partly because of protein meal deficiencies in livestock rations.

SOUTH KOREAN production of formula feeds increased by 9 percent in January/April 1984, compared with the same period last year, but use of soybean meal in livestock rations fell by over 20 percent. Substitution for soybean meal by cheaper meals, grains and grain products, as well as higher soybean prices, accounts for this decline. Soybean meal imports will fall sharply this year but use of soybeans for human consumption is expected to increase by nearly 20 percent in 1983/84 above 1982/83. Consequently, although not expected to show the tremendous growth earlier anticipated, overall soybean imports are still expected to rise by over 9 percent above last year. Recovery of imports and use of soybean meal is forecast for 1984/85, although not fully to the levels of 1982/83.

DAIRY, LIVESTOCK AND POULTRY

In March, GUATEMALA signed an agreement with Mexico to export up to 50,000 head of cattle and 50,000 beef carcasses. Tannery and leather goods industries in Guatemala would have preferred 100,000 carcasses in order to retain the raw materials. Most of the Guatemalan-Mexican trade reportedly remains in southern Mexico.

In the UNITED KINGDOM, the government announced a compensation program for small dairy farmers hit by the new EC milk quotas. Farmers with 40 or less cows who decide to give up milk production entirely while the EC quota scheme remains in operation will be eligible for compensation. Eligible farmers will receive about \$900 for every 5,000 liters of milk taken out of production. The quotas for those farmers who quit dairying will be shared among producers who decide to stay in the industry.

KOREA has temporarily banned the import of U.S. poultry and poultry products, effective April 12, to protect the Korean domestic poultry industry from avian influenza. The only states still being affected by avian influenza are Pennsylvania and Virginia. In 1983, the United States exported to Korea 253,000 baby chicks for breeding stock, valued at \$1.2 million, and 769 tons of poultry meat and products, of which 601 tons (\$21.2 million) was feathers and down. The total export value of poultry and poultry products to Korea increased from \$17.0 million in 1982 to \$22.8 million in 1983.

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The POLISH 1984 April livestock census showed cattle at 11.3 million head, 0.5 percent above year-ago levels, with cows at 5.8 million, unchanged from the last year. Hog numbers were reported at 16.6 million head, down 2 percent from last year. The census also reported a decline in state farm livestock and an increase in private farm herds.

WOOD AND WOOD PRODUCTS

Following the labor conflict and dockworkers' strike in 1980, and three consecutive years of weak world demand for wood products, SWEDEN's forest products industry experienced a sharp turnaround in 1983. Aided by a 16-percent currency devaluation, which resulted in nearly a 10-percent price advantage vis-a-vis Finland, Sweden's main competitor, production as well as exports to West European customers increased for all segments of the industry, particularly sawmills. Production and export volumes during 1984 are expected to remain at approximately the same levels as 1983. However, sharp fluctuations could occur depending on what Finland does to recapture its lost market shares.

Current production estimates for selected wood products are as follows in 1,000 cubic meters except where noted:

| | 1982 | 1983 | 1984 1/ |
|-------------------|---------|---------|---------|
| Roundwood | 52,000 | 56,000 | 56,000 |
| Sawnwood | 10,720 | 11,544 | 12,000 |
| Plywood | 66 | 71 | 71 |
| Particleboard | 844 | 933 | 935 |
| Fiberboard (tons) | 305,450 | 316,400 | 327,000 |

1/ Preliminary.

Selected International Prices

| Item | : | June 12, 1984 | : | Change from | : | A year |
|------------------------------------|---------|---------------|------------|---------------|---|-----------|
| | : | | : | previous week | : | ago |
| <hr/> | | | | | | |
| ROTTERDAM PRICES 1/ | | \$ per MT | \$ per bu. | \$ per MT | | \$ per MT |
| Wheat: | | | | | | |
| Canadian No. 1 CWRS-13.5%. | N.Q. | -- | -- | -- | | 200.50 |
| U.S. No. 2 DNS/NS: 14%.... | 179.00 | 4.87 | -4.00 | | | 181.00 |
| U.S. No. 2 S.R.W. | 150.50 | 4.10 | -3.75 | | | 154.00 |
| U.S. No. 3 H.A.D..... | 185.25 | 5.04 | -5.75 | | | 196.00 |
| Canadian No. 1 A: Durum... | 197.50 | 5.38 | -3.50 | | | 204.50 |
| Feed grains: | | | | | | |
| U.S. No. 3 Yellow Corn.... | 160.00 | 4.06 | +.50 | | | 145.00 |
| Soybeans and meal: | | | | | | |
| U.S. No. 2 Yellow..... | 310.00 | 8.44 | -8.00 | | | 241.75 |
| Brazil 47/48% SoyaPellets | 200.00 | -- | -7.00 | | | 212.00 |
| U.S. 44% Soybean Meal..... | 203.00 | -- | -6.00 | | | 209.00 |
| U.S. FARM PRICES 3/ | | | | | | |
| Wheat..... | 133.73 | 3.64 | -.37 | | | 132.26 |
| Barley..... | 101.96 | 2.22 | +1.38 | | | 86.35 |
| Corn..... | 132.68 | 3.37 | -.39 | | | 121.65 |
| Sorghum..... | 116.40 | 5.28 | +.22 | | | 116.18 |
| Broilers 4/..... | 1201.95 | -- | -65.04 | | | 1078.71 |
| EC IMPORT LEVIES | | | | | | |
| Wheat 5/..... | 90.15 | 2.45 | +3.35 | | | 100.40 |
| Barley..... | 71.35 | 1.55 | +2.10 | | | 110.35 |
| Corn..... | 57.30 | 1.46 | +2.40 | | | 74.75 |
| Sorghum..... | 76.65 | 1.95 | +.60 | | | 88.55 |
| Broilers 4/ 6/ 8/..... | 168.00 | -- | -2.00 | | | 281.00 |
| EC INTERVENTION PRICES 7/ | | | | | | |
| Common wheat(feed quality) | 181.65 | 4.94 | -1.60 | | | 180.05 |
| Bread wheat (min. quality)7/ | 197.55 | 5.38 | -1.70 | | | 197.50 |
| Barley and all | | | | | | |
| other feed grains..... | 181.65 | N.Q. | -1.60 | | | 180.05 |
| Broilers 4/ 6/..... | 1159.00 | -- | +3.00 | | | 1109.00 |
| EC EXPORT RESTITUTIONS (subsidies) | | | | | | |
| Wheat | N.A. | -- | -- | | | N.A. |
| Barley..... | 48.60 | 1.06 | N.A. | | | N.A. |
| Broilers 4/ 6/ 8/..... | 132.00 | -- | -1.00 | | | 201.00 |

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.000 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/Reflects exchange rate change and not level set by EC. N.Q.=Not quoted. N.A.=None authorized. Note: Basis July delivery.

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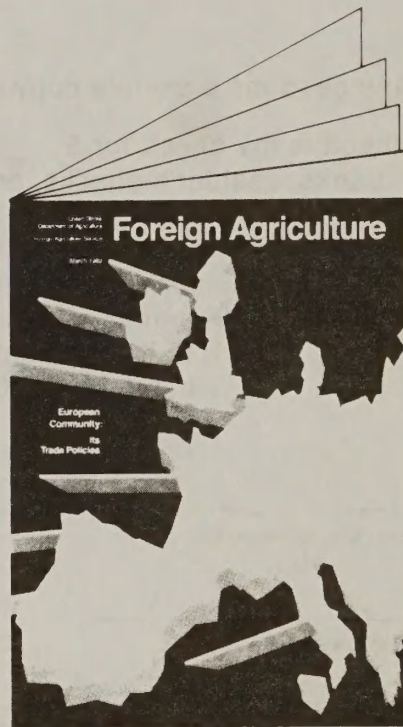
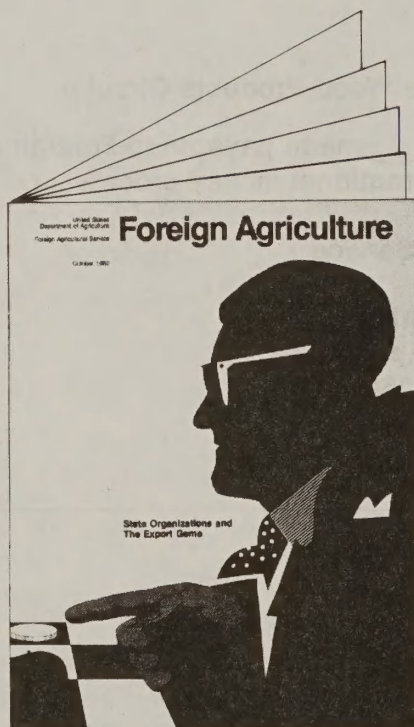
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